

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 DOE-15 ACDA-12 CIAE-00 DODE-00  
PM-05 INR-10 L-03 NSAE-00 NASA-01 NSC-05 SOE-02  
SS-15 OES-09 CCO-00 NTIE-00 EB-08 FCC-01 OC-06  
ICA-11 BIB-01 /117 W  
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FM AMEMBASSY NICOSIA  
TO SECSTATE WASHDC PRIORITY 8229  
INFO AMEMBASSY PARIS  
USDOC WASHDC

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E.O. 11652: N/A  
TAGS: EFIN, ETRD, BENC, FR, CY  
SUBJECT: MAJOR PROJECTS: SATELLITE EARTH STATION: FRANCE OFFERS  
CONCESSIONAL FINANCING

REF: NICOSIA 2179

1. GOC MINFIN DIRGEN AFXENTIOU BRIEFED EMBOFF ON DETAILS  
OF ECONOMIC PROTOCOL SIGNED BETWEEN FRANCE AND CYPRUS  
AUGUST 22. IT PROVIDES FOR SUPPLIER CREDITS FROM FRENCH  
COMMERCIAL BANKS AND MINISTRY OF TREASURY. LATTER WILL  
PROVIDE 25 PERCENT OF 60 MILLION FF TOTAL CREDIT AT 3-1/2  
PERCENT INTEREST FOR 20 YEARS. COMMERCIAL BANKS WILL PROVIDE  
REMAINDER. AVERAGE RATE OF INTEREST COMBINING TREASURY  
CREDITS WITH COMMERCIAL WILL BE 6.3 PERCENT WITH AN  
AVERAGE REPAYMENT PERIOD OF 13 YEARS. EXCHANGE RATE WILL  
BE THAT APPLICABLE ON DATE CREDITS DRAWN.

2. AFXENTIOU INSISTED THAT CREDITS, IN GOC VIEW, ARE  
NOT TIED TO ANY SPECIFIC PROJECT AND THAT FRENCH TENDERS  
MUST BE COMPETITIVE ON QUALITY AS WELL AS PRICE TO GAIN  
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ANY ADVANTAGES FROM CREDIT PACKAGE. FRENCH ON THE OTHER  
HAND HAVE LINKED CREDITS DIRECTLY TO 4 PUBLIC AND 2 PRIVATE  
SECTOR PROJECTS. AMOUNTS GIVEXN ARE ONLY INDICATIVE AT  
THIS STAGE AND TOTAL MORE THAN 60 MILLION FF. PROJECTS  
ARE IN FOLLOWING AREAS:

A) TELECOMMUNICATIONS: 27 MILLION FF (\$6.1 MILLION)

MAINLY, ACCORDING TO AFXENTIOU, FOR THE EARTH SATELLITE TENDER. AFXENTIOU REITERATED, HOWEVER, THAT GOC EXPLICITLY REJECTS THIS LINKAGE UNLESS FRENCH SUPPLIER IS TRULY COMPETITIVE. COMMENT: WITH SUCH TERMS FRENCH SUPPLIER TELESPACE, WHICH IS ABOUT \$1 MILLION HIGH ON PRICE AND JUST OUT ON QUALITY, IS PROBABLY QUITE COMPETITIVE. END COMMENT.

B) RADIO AND TELEVISION EQUIPMENT: 12 MILLION FF (\$2.7 MILLION) PRIMARILY FOR CYPRUS BROADCASTING CORPORATION WHICH IS BEGINNING TO GEAR UP PLANNING FOR LONG AWAITED SHIFT TO COLOR. FRENCH HAVE TRADITIONALLY BEEN MAJOR SUPPLIER TO CBC.

C) PATROL BOATS: 6 MILLION FF (\$1.36 MILLION). TENDER REPORTED NICOSIA 812 NOW BEING EVALUATED WITH FRENCH AND BRITISH PRINCIPAL COMPETITORS. FINANCING SHOULD SWING DEAL TO FRENCH.

D) AERONAUTICAL EQUIPMENT: 4 MILLION FF (\$900,000) PRIMARILY FOR ILS AND GROUND RADAR WHICH DEPARTMENT OF CIVIL AVIATION IS SUPPOSED TO TENDER FOR EITHER LATE 78 OR EARLY 79. FYI: WESTINGHOUSE INTERNATIONAL DEFENSE AND PUBLIC SYSTEMS CORP. HAS INDICATED IT WILL BID ON THIS TENDER. END FYI.

E) PRIVATE PROJECTS WHICH WERE INITIALLY STIMULATED LIMITED OFFICIAL USE

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BY GOC ARE SALT PROCESSING PLANT: 8.4 MILLION FF (\$1.9 MILLION) AND SLAUGHTER HOUSE: 5.4 MILLION FF (\$1.2 MILLION). NO DETAILS AVAILABLE YET ON THESE PROJECTS.

3. REQUEST DEPARTMENT INFORM EXIM OF DETAILS FRENCH CREDIT ASAP. WE UNDERSTAND U.S. BIDDERS HAVE ALREADY BEEN IN TOUCH WITH EXIM AND EMBASSY VERY MUCH APPRECIATES BANK'S POSITIVE RESPONSES. THOUGH NOT AN EXPENSIVE PACKAGE, THE EARTH SATELLITE STATION IS A HIGH PRESTIGE ITEM WHICH WILL GENERATE CONSIDERABLE SPINOFF BENEFITS, BOTH POLITICAL AND COMMERCIAL, FOR THE U.S. EXIM'S CONTINUED SUPPORT WILL BE ESSENTIAL IN OUR EFFORTS TO OVERCOME LAST MINUTE FRENCH ATTEMPT TO WIN TENDER AWAY FROM LOWER PRICED/HIGHER QUALITY U.S. SUPPLIERS. STONE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CONSTRUCTION, FINANCIAL CONTRIBUTIONS, TRACKING STATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Expiration:**  
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**Original Handling Restrictions:** n/a  
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